

ABSTRACT

ELECTRONIC MULTIPARTY ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE SYSTEM

5 The invention concerns a multiparty accounts receivable and accounts payable system that allows business trading partners to use a single, shared system for both accounts receivable and accounts payable management. The system of the invention forms an electronic "bridge" between a plurality of business trading partners for purposes of invoicing, dispute resolution, financing, and settlement of single and multiple currency debts. As the invoicing and settlement activities of the participants are funneled through a common system, the system allows a participant to

10 aggregate all debts owed to other participants, aggregate all debts owed by the other participants, and net debts owed to other participants with debts owed by these participants. After aggregation and netting, the participant issues a single payment to settle numerous accounts payable items, and receives a single payment that settles numerous accounts receivable items. The system allows participants to use the substantial amount of financial and cash flow information captured by the system to borrow more efficiently by permitting lenders to view this information.

15 Furthermore, the system provides a confirmation process to convert existing debt obligations into a new, independent payment obligation due on a date certain and free of any defenses to the underlying contract. The confirmed debt obligations provide a better source of working capital for the participants, or can be converted into electronic promissory notes. The system provides an electronic exchange for electronic promissory notes, allowing participants to raise working capital in various ways, for example, by selling them.